

Economic Outlook

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Overview

Based on lower forecasts for the U.S. and key international economies in the coming months, the Department of Business, Economic Development and Tourism (DBEDT) is forecasting virtually no growth in Hawaii's economy through most of 2009. Assuming national growth turns positive around midyear 2009, Hawaii's economy should begin seeing some improvement later in that year and modest growth in 2010. Real personal income, total wage and salary jobs, and State real GDP are all forecast to show no growth or negative growth in 2009. Visitor arrivals are expected to decrease 10.1% and 1.9% in 2008 and 2009, respectively. Major indicators of construction activity for the first nine months of 2008 suggest slower construction activity in Hawaii for the rest of 2008 and into 2009.

Labor Force and Jobs

For the first three quarters of 2008, civilian employment averaged 637,200 persons, an increase of 4,350 persons or 0.7% higher than for the same period of 2007. The civilian labor force was 661,800, an increase of 12,050 persons or 1.9%. For the first nine months of 2008, the statewide unemployment rate averaged 3.7%, an increase of 1.1 percentage point from the same period last year.

During the first three quarters of 2008, Hawaii's economy added 0.4% or 2,450 more wage and salary jobs compared to the same period of 2007 following a strong 2.4% job growth last year. Job growth in the first three quarters of 2008 was due to job growth achieved in the first two quarters of the

year. Job growth was virtually zero in the third quarter of 2008 and negative in September 2008 compared to the same period last year. For the first three quarters of 2008, job increase in the private sector was the largest in Professional and Business Services (1,200 jobs or 1.6%), followed by Health Care and Social Assistance (800 jobs or 1.4%), Educational Services (750 jobs or 5.3%), Natural Resources, Mining and Construction (750 jobs or 1.9%), Other Services (650 jobs or 2.5%), and Retail Trade (600 jobs or 0.9%). Job decrease in the private sector was the largest in Transportation, Warehousing, and Utilities (lost 2,500 jobs or 7.6%), followed by Accommodation (lost 750 jobs or 1.9%); Arts, Entertainment, and Recreation (lost 700 jobs or 5.8%), Financial Activities (lost 250 jobs or 0.8%), and Information (lost 200 jobs or 1.9%). For the first three quarters of 2008, the government added 2,300 jobs or 1.9% (State Government 1,500 jobs, Local Government 600 jobs, and Federal Government 200 jobs), while agriculture lost 300 jobs or 4.6% compared to the same period of 2007.

Tax Revenues

Through the first three quarters of 2008, State general fund tax revenues decreased \$23.6 million or 0.7%; general excise and use tax (GET) collections increased \$6.6 million or 0.3%; individual income tax collections decreased \$30.4 million or 2.5%; and transient accommodations tax (TAT) collections decreased \$2.3 million or 1.3% compared with the same period last year. Losses in tax revenues during the first three quarters of 2008 were due to losses in the first two quarters of the year. In the third quarter of 2008, tax revenues were increased.

Viewed from the fiscal year perspective, compared with the first quarter of FY 07-08, State general fund tax collections were up 1.5% in the first quarter of FY 08-09. GET, net individual income tax collections, and TAT collections were up 1.8%, 1.0%, and 1.6%, respectively.

Personal Income

Nominal personal income, not adjusted for inflation, rose by \$2,629 million or 5.3% in the first two quarters of 2008 compared to the same period of 2007. Wage and salary disbursements, accounting for about 57% of personal income, grew by \$1,352 million or 4.8%.

Supplements to Wages and Salaries (consisting of employer payments to retirement plans, private group health insurance plans, private workers compensation plans, and other such benefits) increased by \$433 million or 5.5% in the first half of 2008 compared to 2007.

Proprietors' Income, the income most closely related to entrepreneurial activity, decreased by \$34 million or 1.1% in the first two quarters of 2008 compared to the same period of 2007.

Dividends, Interest, and Rent rose by \$393 million or 5.0% in the first half of 2008 from the same period of 2007, while Personal Current Transfer Receipts, consisting largely of retirement and medical payments, grew by \$645 million or 10.0%. The sharp growth in Personal Current Transfer Receipts was mainly due to the Economic Stimulus Act of 2008 rebate payments.

Contributions to Government Social Insurance, payments subtracted from personal income, increased by \$161 million

or 4.0% in the first half of 2008 from the same period of 2007.

Earnings increased across most private sector industries during the first two quarters of 2008 compared to the same period of 2007. In dollar terms, the largest increases occurred in Health Care and Social Assistance (\$232 million or 7.0%), followed by Professional and Technical Services (\$146 million or 6.2%), Construction (\$106 million or 3.4%), Retail Trade (\$78 million or 3.1%), Accommodation and Food Service (\$77 million or 2.3%), Wholesale Trade (\$68 million or 6.0%), and Transportation and Warehousing (\$56 million or 3.5%). Total government earnings rose by \$865 million or 6.9%, including \$492 million or 6.4% increase in Federal government earnings and \$372 million or 7.6% increase in State and local government earnings.

Prices

In the first half of 2008, Honolulu's consumer price index (CPI) increased 4.9% from the same period last year, compared to the U.S. average CPI increase of 4.2% for the same period. The Honolulu CPI increase in the first half of 2008 was primarily due to increases in Housing, Transportation, Other Goods and Services, and Food and Beverages components, which increased 5.6%, 5.4%, 5.1%, and 4.7%, respectively, in the first half of 2008 compared to the first half of 2007.

Tourism

During the first nine months of 2008, total visitor arrivals by air decreased 9.1% from the same period last year. Domestic arrivals were down 10.6%, and international arrivals were down 4.5%. Among the major market areas (MMAs), arrivals from U.S. West, U.S. East, and Japan were down

13.0%, 10.7%, and 9.3%, respectively, while those from Canada and All Others were up 7.7% and 6.3%, respectively. Total visitor days decreased 7.6% in the first three quarters of 2008 from the same period of 2007. Total expenditures of visitors arriving by air were estimated to have totaled \$8.7 billion through the first nine months of 2008, down 7.4% over the same period a year ago.

Through the first nine months of 2008, average airline passenger capacity decreased 9.1% from 2007, while the statewide average hotel occupancy rate declined to 72.7%, down 3.3 percentage points from the same period last year. Through the first nine months of 2008, the statewide average daily hotel room rate increased 2.3% to \$205.22 from \$200.64 in the same period last year.

Construction and Real Estate

The major indicators of Hawaii's construction activity were mixed through the first two to three quarters of 2008. Based on the most recent data available, the contracting tax base decreased \$210 million or 5.1% during the first half of 2008 from the same period of 2007. During the first nine months of 2008, the total value of private building authorizations decreased \$240 million or 8.8%; and the government contracts awarded decreased \$72 million or 9.6% compared to the same period of 2007. The \$82 million or 10.3% increase in additions and alterations permits was more than offset by the \$276 million or 18.5% decrease in residential permit value and the \$46 million or 10.7% decrease in commercial and industrial permits. The State Capital Improvement Project expenditures, however, increased \$362 million or 44.1% in the first three quarters of 2008 compared to the same period last year.

In the first nine months of 2008, the number of existing units sold on Oahu was off 25.8% for single family homes and off 27.0% for condominiums. The median price for existing single family homes and condominiums were \$625,000 and \$325,000, respectively, in the first three quarters of 2008, decreased 3.5% and 0.0%, over the same period in 2007.

During the first three quarters of 2008, construction jobs increased 1.9% from the same period of 2007 to a record monthly average of 39,400 jobs. Construction job growth in the first three quarters of 2008 was realized in the first two quarters of 2008. In the third quarter of 2008, construction job decreased compared to the same quarter last year.

County Economic Conditions

Through the first three quarters of 2008, all counties showed positive growth in both labor force and civilian employment. Unemployment rate, however, was also increased in all counties. The unemployment rate increased the most in Hawaii County (1.8 percentage point to 5.1%), followed by Maui (1.4 percentage point to 4.0%), Kauai (1.2 percentage point to 3.7%), and Honolulu (0.9 of a percentage point to 3.4%). Total wage and salary jobs showed positive growth in all counties, but the growth rates were significantly lower than before.

Visitor arrivals and visitor days by air both decreased substantially in the first three quarters of 2008 in all counties compared to the same period of 2007. Visitor arrivals decreased the most in Kauai (17.9%), followed by Hawaii County (17.2%), Maui (13.6%), and Honolulu (9.6%). Total visitor days by air decreased the most in Hawaii County (10.1%), followed by Maui (7.9%), Kauai (7.4%), and Honolulu (6.6%).

For the first nine months of 2008, average civilian employment growth was the highest in Kauai at 1.7%, followed by Honolulu at 0.7%, Maui at 0.6%, and Hawaii County at 0.4 compared to the same period of 2007.

All counties showed positive job growth during the first nine months of 2008. Honolulu picked up 1,750 wage and salary jobs or an increase of 0.4% from the same period of 2007. The largest job increases were in Professional and Business Services and State Government (both added 1,050 jobs), followed by Construction (950 jobs), Educational Services (650 jobs), Health Care & Social Assistance (550 jobs), and other Services (400 jobs). The largest job decreases were in Transportation, Warehousing, and Utilities (lost 2,050 jobs), followed by Arts, Entertainment, and Recreation (lost 800 jobs); and Accommodation (lost 400 jobs).

Hawaii County added only 50 jobs in the first three quarters of 2008 over the same period of 2007. Job gains in the Government sector (added 500 jobs), Retail (200 jobs), Health Care & Social Assistance (150 jobs), and Other Services (100 jobs) were mostly offset by job losses in Construction (lost 400 jobs), Accommodation (lost 300 jobs), and Transportation, Warehousing, and Utilities (lost 100 jobs).

In the first nine months of 2008, Maui County added only 100 jobs from that of 2007. Job gains in the Government sector (added 250 jobs), Professional and Business Services (200 jobs), Retail (150 jobs), and Health Care & Social Assistance (150 jobs) were mostly offset by job losses in Transportation, Warehousing, and Utilities (lost 200 jobs), Accommodation (lost 150 jobs), and Construction (lost 100 jobs).

Hawaii County added 500 jobs or 1.6% in the first three quarters of 2008 over the same period of 2007. The largest job increases were in Construction (added 250 jobs), followed by Accommodation (150 jobs), Government (100 jobs), and Other Services (100 jobs).

During the first nine months of 2008, visitor arrivals by air decreased the most in Kauai County (17.9%) from the same period last year, followed by Hawaii County (17.2%), Maui County (13.6%), and Honolulu (9.6%). Hotel occupancy rates decreased in the first nine months of 2008 in all counties compared to the year-ago levels, with Honolulu decreasing 1.3 percentage points to 76.5%, Maui County decreasing 5.6 percentage points to 70.7%, Hawaii County decreasing 6.2 percentage points to 62.9%, and Kauai County decreasing 3.4 percentage points to 73.3%.

Total tax collections increased slightly in Honolulu but decreased in all neighbor island counties in the first nine months of 2008 compared to the same period of 2007. GET tax collections increased 1.1% in Honolulu but decreased 1.6%, 3.2%, and 8.1% in Hawaii County, Maui County, and Kauai County, respectively. Except for a small 1.1% increase in Honolulu, net individual income tax collections decreased in all other counties. Decreases in net individual income tax collections were the largest in Maui County (29.5%), followed by Hawaii County (19.6%) and Kauai County (7.8%). TAT collections decreased 5.1% in Honolulu but increased in all other counties. The largest growth in TAT collections was in Hawaii County (8.3%), followed by Maui County (6.9%) and Kauai County (0.9%).

During the first three quarters of 2008, only Kauai showed positive growth in the value of private building permits, increasing 28.6% or \$58 million compared to the same period of 2007. In dollar terms, the values of private building

permits decreased the most in Honolulu (\$146 million or 10.7%), followed by Hawaii County (\$98 million or 13.9%) and Maui County (\$53 million or 11.9%).

Outlook for the Economy

In its latest quarterly economic report, DBEDT is forecasting virtually no growth or negative growth in Hawaii's economy through most of 2009. Real personal income, total wage and salary jobs, and State GDP are all forecast to show no growth or negative growth in 2009. Visitor arrivals are expected to decrease 10.1% and 1.9% in 2008 and 2009, respectively.

Nominal personal income growth rates for 2008 and 2009 are forecast at 4.0% and 2.2%, respectively. Real personal income growth rates for 2008 and 2009 are expected to be negative 0.2% and negative 0.4%, respectively, after deflating the nominal values by the Honolulu's CPI-U. Honolulu's CPI is expected to rise 4.2% in 2008, and 2.6% in 2009.

The future outlook for Hawaii's economy is linked to the growth in the U.S. and Japanese economies. According to the November 2008 Blue Chip Economic Consensus Forecasts, real U.S. GDP growth will manage 1.4% for 2008 as a whole. However, the forecast for 2009 real U.S. GDP was reduced nearly a full percentage point to negative 0.4% for the year. For Japan, real GDP growth is projected to be only 0.5% in 2008 and negative 0.1% for 2009. The latest forecast for U.S. consumer price inflation is 4.2% for 2008 and 1.5% for 2009.

Based on latest data and the outlook in coming months, in 2008 total visitor arrivals, total visitor days, and total nominal (current dollar) visitor expenditures are expected to decline 10.1%, 9.7%, and 9.5%, respectively. For 2009, visitor

arrivals and visitor days are predicted to decrease 1.9% and 1.7%, respectively, while the visitor expenditures are forecast to increase 0.7% from 2008.

Major indicators of construction activity for the first nine months of 2008 suggest slower construction activity in Hawaii for the rest of 2008 and into 2009. Despite decreases in total value of new private building authorizations in the first nine months of 2008, permit levels still remain relatively high compared to historical levels. In addition, the continuing military privatization project and prospects for increasing State construction expenditures in the next few years will cushion the decrease in private activity.

Based on slower job growth in the third quarter, total wage and salary jobs are now expected to show no growth for 2008 as a whole compared with 2007. The 2009 forecast for jobs now expects a decline of 0.2%.

Assuming the U.S. recovery begins by midyear 2009 and that Hawaii's economy responds accordingly, 2010 should be a modest recovery year for the State. Visitor arrivals would be expected to show some positive growth (1.4%) and this will help the economy create a few new jobs (0.5% increase) and show positive real GDP growth (1.1%).

That gradual recovery would be expected to continue into 2011 although probably not at a vigorous rate. Job growth would be expected to reach around 0.8% for 2011, based on about the same increase in visitor arrivals. Hawaii's GDP growth in 2011 would be expected to reach a modest 1.6%.

**Table 1. ACTUAL AND FORECAST KEY ECONOMIC INDICATORS FOR HAWAII:
2006 TO 2011**

Economic Indicators	2006		2007		2008		2009		2010		2011	
	(Actual)						(Forecast)					
Total population (thousands)	1,279	1,283	1,292	1,303	1,316	1,329						
Visitor arrivals (thousands) 1/	7,628	7,628	6,860	6,732	6,829	6,943						
Visitor days (thousands) 1/	69,885	70,075	63,276	62,173	63,080	64,170						
Visitor expenditures (million dollars) 1/	12,492	12,811	11,598	11,680	12,199	12,774						
Honolulu CPI-U (1982=100)	209.4	219.5	228.7	234.7	240.3	246.3						
Personal income (million dollars)	47,338	50,130	52,138	53,297	55,130	57,361						
Real personal income (millions of 2000\$) 2/	39,865	40,263	40,188	40,040	40,447	41,057						
Total wage & salary jobs (thousands)	624.0	630.1	630.2	629.0	632.3	637.6						
Gross domestic product (million dollars)	58,676	61,532	63,398	64,971	67,256	70,026						
Real gross domestic product (millions of 2000\$)	48,428	49,860	50,006	50,015	50,561	51,359						
Gross domestic product deflator (2000=100)	121.2	123.4	126.8	129.9	133.0	136.3						
Annual Percentage Change												
Total population	0.9	0.4	0.7	0.8	1.0	1.0						
Visitor arrivals 1/	1.8	0.0	-10.1	-1.9	1.4	1.7						
Visitor days 1/	2.4	0.3	-9.7	-1.7	1.5	1.7						
Visitor expenditures 1/	4.9	2.6	-9.5	0.7	4.4	4.7						
Honolulu CPI-U	5.8	4.9	4.2	2.6	2.4	2.5						
Personal income	7.3	5.9	4.0	2.2	3.4	4.0						
Real personal income 2/	1.4	1.0	-0.2	-0.4	1.0	1.5						
Total wage & salary jobs	2.5	1.0	0.0	-0.2	0.5	0.8						
Gross domestic product	7.0	4.9	3.0	2.5	3.5	4.1						
Real gross domestic product	3.2	3.0	0.3	0.0	1.1	1.6						
Gross domestic product deflator	3.7	1.9	2.7	2.5	2.4	2.5						

1/ Visitors who came to Hawaii by air or by cruise ship.

2/ DBEDT calculated using BEA estimate of nominal personal income deflated by U.S. Bureau of Labor Statistics Honolulu CPI-U.

Source: Hawaii State Department of Business, Economic Development & Tourism, November 17, 2008.

Table 2. SELECTED ECONOMIC INDICATORS: STATE
THIRD QUARTER 2008

SERIES	UNIT	3rd QUARTER 2008		YEAR-TO-DATE 2008		
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO	
Civilian labor force, NSA 1/	Persons	666,450	3.1	661,800	1.9	
Civilian employed, NSA	Persons	636,950	1.5	637,200	0.7	
Civilian unemployed, NSA	Persons	29,500	57.8	24,550	45.3	
Unemployment rate, NSA 1/ 2/	%	4.4	1.5	3.7	1.1	
Total wage and salary jobs, NSA	Jobs	624,900	0.0	630,600	0.4	
Total non-agriculture wage and salary jobs	Jobs	618,800	0.0	624,400	0.5	
Nat. Resources, Mining, Constr.	Jobs	39,250	-0.6	39,400	1.9	
Manufacturing	Jobs	15,100	-0.3	15,150	-0.7	
Wholesale Trade	Jobs	18,500	0.3	18,550	1.1	
Retail Trade	Jobs	70,050	0.9	70,250	0.9	
Transp., Warehousing, Util.	Jobs	28,950	-11.9	30,350	-7.6	
Information	Jobs	10,300	-2.8	10,550	-1.9	
Financial Activities	Jobs	29,550	-1.5	29,800	-0.8	
Professional & Business Services	Jobs	77,050	1.2	77,000	1.6	
Educational Services	Jobs	14,500	4.7	14,900	5.3	
Health Care & Social Assistance	Jobs	59,550	1.5	59,350	1.4	
Arts, Entertainment & Recreation	Jobs	11,300	-7.8	11,350	-5.8	
Accommodation	Jobs	37,900	-2.3	38,500	-1.9	
Food Services & Drinking Places	Jobs	58,850	-0.2	58,700	-0.2	
Other Services	Jobs	27,350	2.8	27,050	2.5	
Government	Jobs	120,600	2.9	123,350	1.9	
Federal	Jobs	32,400	3.0	31,900	0.6	
State	Jobs	69,200	2.6	72,900	2.1	
Local	Jobs	19,000	3.8	18,500	3.4	
Agriculture wage and salary jobs	Jobs	6,150	-3.1	6,250	-4.6	
State general fund revenues	\$	1,164,199	1.5	3,534,606	-0.7	
General excise and use tax revenues	\$	657,747	1.8	1,977,385	0.3	
Income-individual	\$	382,982	1.0	1,178,376	-2.5	
Declaration estimated taxes	\$	63,003	-10.0	364,552	-4.5	
Payment with returns	\$	15,626	-1.9	161,778	-17.5	
Withholding tax on wages	\$	342,584	3.8	1,032,852	7.4	
Refunds (- indicates relative to State)	\$	38,231	3.2	-380,807	15.0	
Transient accommodations tax	\$	59,640	1.6	176,422	-1.3	
Honolulu County Surcharge 3/	\$	47,088	-5.0	140,283	35.7	
Visitor Days - by air	Days	15,435,850	-14.2	48,249,606	-7.6	
Domestic visitor days - by air	Days	11,933,626	-17.3	38,037,504	-8.6	
International visitor days - by air	Days	3,502,224	-1.7	10,212,102	-3.3	
Visitor arrivals by air - by air	Persons	1,670,403	-16.6	5,169,845	-9.1	
Domestic flight visitors - by air	Persons	1,202,321	-19.4	3,798,653	-10.6	
International flight visitors - by air	Persons	468,082	-8.4	1,371,192	-4.5	
Hotel occupancy rates 2/	%	70.6	-8.0	72.7	-3.3	
Visitor expenditures - arrivals by air	\$	1,000	2,777,300	-15.3	8,718,200	-7.4

1/ Labor force and jobs are Hawaii DLIR monthly and annual data. Quarterly averages computed by the Hawaii DBEDT.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ 0.5% added to the general excise tax to pay for O'ahu's mass transit system and took effect January 1, 2007.

Includes taxpayers who have business activities on Oahu but whose businesses are located outside Oahu.

Source: Hawaii State Department of Business, Economic Development, & Tourism <<http://www.hawaii.gov/dbedt/info/>>

Hawaii State Department of Labor & Industrial Relations <<http://www.hiwi.org/cgi/dataanalysis/?PAGEID=94>>;

Hawaii State Department of Taxation <http://www.hawaii.gov/tax/a5_3txcolpt.htm> and Hospitality Advisors, LLC.

Table 3. SELECTED ECONOMIC INDICATORS: CITY AND COUNTY OF HONOLULU
THIRD QUARTER 2008

SERIES	UNIT	3rd QUARTER 2008		YEAR-TO-DATE 2008	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	458,850	2.7	457,350	1.6
Civilian employed	Persons	440,550	1.3	441,850	0.7
Civilian unemployed	Persons	18,300	52.5	15,500	39.0
Unemployment rate 1/ 2/	%	4.0	1.3	3.4	0.9
Total wage and salary jobs	Jobs	451,150	-0.1	456,050	0.4
Total non-agriculture wage and salary jobs	Jobs	449,700	-0.1	454,550	0.4
Nat. Resources, Mining, Constr.	Jobs	27,300	1.1	27,100	3.6
Manufacturing	Jobs	11,850	0.0	11,800	-0.4
Wholesale Trade	Jobs	14,900	0.7	14,850	1.0
Retail Trade	Jobs	46,350	1.1	46,400	0.5
Transp., Warehousing, Util.	Jobs	21,250	-13.1	22,450	-8.4
Information	Jobs	8,500	-2.9	8,700	-1.7
Financial Activities	Jobs	22,650	-0.9	22,750	-0.4
Professional & Business Services	Jobs	61,150	1.2	61,050	1.8
Educational Services	Jobs	12,100	4.3	12,550	5.5
Health Care & Social Assistance	Jobs	46,100	1.4	45,950	1.2
Arts, Entertainment & Recreation	Jobs	6,000	-13.7	6,000	-11.8
Accommodation	Jobs	15,450	-5.5	15,850	-2.8
Food Services & Drinking Places	Jobs	40,800	-1.0	41,000	-0.2
Other Services	Jobs	21,050	1.9	20,950	1.9
Government	Jobs	94,300	2.7	97,050	1.5
Federal	Jobs	29,600	2.8	29,200	0.3
State	Jobs	52,350	2.5	55,800	1.9
Local	Jobs	12,350	2.9	12,050	2.1
Agriculture wage and salary jobs	Jobs	1,450	-6.5	1,500	-9.1
General excise and use tax revenues	\$1,000	545,961	2.7	1,649,566	1.1
Income-individual	\$1,000	329,069	2.5	1,029,115	1.1
Declaration estimated taxes	\$1,000	50,988	-9.9	296,624	4.1
Payment with returns	\$1,000	11,221	-1.6	120,267	-18.2
Withholding tax on wages	\$1,000	298,788	5.2	900,921	8.1
Refunds	\$1,000	-31,928	3.2	-288,697	16.8
Transient accommodations tax	\$1,000	36,850	3.7	111,696	-5.1
Honolulu County Surcharge 3/	\$1,000	46,536	-4.9	138,512	35.8
Visitor Days - by air	Days	7,583,082	-12.0	22,644,124	-6.6
Domestic visitor days - by air	Days	4,891,043	-15.9	15,170,778	-7.5
International visitor days - by air	Days	2,692,039	-4.0	7,473,346	-4.6
Visitor arrivals by air - by air	Persons	1,063,536	-16.8	3,213,927	-9.6
Domestic flight visitors - by air	Persons	630,656	-21.4	1,974,738	-12.2
International flight visitors - by air	Persons	432,880	-9.0	1,239,189	-5.2
Hotel occupancy rates 2/	%	77.2	-4.0	76.5	-1.3

1/ Labor force and jobs are Hawaii DLIR monthly and annual data. Quarterly averages computed by the Hawaii DBEDT.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ .05% added to the general excise tax to pay for O'ahu's mass transit system and took effect January 1, 2007.

Includes taxpayers who have business activities on Oahu but whose businesses are located outside Oahu.

Source: Hawaii State Department of Business, Economic Development, & Tourism <<http://www.hawaii.gov/dbedt/info/>>,

Hawaii State Department of Labor & Industrial Relations <<http://www.hiwi.org/cgi/dataanalysis?PAGEID=94>>;

Hawaii State Department of Taxation <http://www.hawaii.gov/tax/a5_3txcolpt.htm> and Hospitality Advisers, LLC.

Table 4. SELECTED ECONOMIC INDICATORS: HAWAII COUNTY
THIRD QUARTER 2008

SERIES	UNIT	3rd QUARTER 2008		YEAR-TO-DATE 2008	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	90,250	4.8	88,750	2.5
Civilian employed	Persons	84,650	2.0	84,250	0.6
Civilian unemployed	Persons	5,600	75.0	4,500	57.9
Unemployment rate 1/ 2/	%	6.2	2.5	5.1	1.8
Total wage and salary jobs	Jobs	68,750	0.5	69,100	0.1
Total non-agriculture wage and salary jobs	Jobs	66,200	0.2	66,650	0.2
Nat. Resources, Mining, Constr.	Jobs	5,300	-6.2	5,400	-6.9
Manufacturing	Jobs	1,600	-3.0	1,650	0.0
Wholesale Trade	Jobs	1,700	-2.9	1,750	0.0
Retail Trade	Jobs	9,550	2.1	9,550	2.1
Transp., Warehousing, Util.	Jobs	2,900	-7.9	3,050	-3.2
Information	Jobs	650	-7.1	700	-6.7
Financial Activities	Jobs	2,850	0.0	2,900	1.8
Professional & Business Services	Jobs	5,000	4.2	4,900	-1.0
Educational Services	Jobs	1,150	15.0	1,100	4.8
Health Care & Social Assistance	Jobs	6,350	0.8	6,400	2.4
Arts, Entertainment & Recreation	Jobs	2,000	5.3	1,950	2.6
Accommodation	Jobs	6,550	-5.8	6,700	-4.3
Food Services & Drinking Places	Jobs	5,900	0.9	5,850	-0.8
Other Services	Jobs	2,300	4.5	2,250	4.7
Government	Jobs	12,450	4.6	12,550	4.1
Federal	Jobs	1,350	3.8	1,350	8.0
State	Jobs	8,300	3.1	8,550	3.0
Local	Jobs	2,750	5.8	2,700	5.9
Agriculture wage and salary jobs	Jobs	2,500	6.4	2,400	-4.0
General excise and use tax revenues	\$1,000	42,745	-0.9	123,827	-1.6
Income-individual	\$1,000	23,980	-3.7	64,098	-19.6
Declaration estimated taxes	\$1,000	4,794	-20.0	25,630	-28.9
Payment with returns	\$1,000	1,660	1.9	16,633	-18.0
Withholding tax on wages	\$1,000	19,513	0.2	57,881	8.7
Refunds	\$1,000	-1,986	-9.2	-36,046	20.9
Transient accommodations tax	\$1,000	6,408	-6.1	19,284	8.3
Honolulu County Surchage 3/	\$1,000	173	-26.3	567	22.3
Visitor Days - by air	Days	2,084,418	-17.7	6,927,736	-10.1
Domestic visitor days - by air	Days	1,742,785	-21.6	5,955,476	-11.7
International visitor days - by air	Days	341,634	10.2	972,261	1.1
Visitor arrivals by air - by air	Persons	315,233	-25.8	1,027,843	-17.2
Domestic flight visitors - by air	Persons	239,591	-29.8	798,390	-20.3
International flight visitors - by air	Persons	75,642	-9.0	229,453	-4.3
Hotel occupancy rates 2/	%	57.3	-11.7	62.9	-6.2

1/ Labor force and jobs are Hawaii DLIR monthly and annual data. Quarterly averages computed by the Hawaii DBEDT.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ 0.5% added to the general excise tax to pay for O'ahu's mass transit system and took effect January 1, 2007.

Includes taxpayers who have business activities on Oahu but whose businesses are located outside Oahu.

Source: Hawaii State Department of Business, Economic Development, & Tourism <<http://www.hawaii.gov/dbedt/info/>>;

Hawaii State Department of Labor & Industrial Relations <<http://www.hiwi.org/cgi/dataanalysis/?PAGEID=94>>;

Hawaii State Department of Taxation <http://www.hawaii.gov/tax/a5_3txcopt.htm> and Hospitality Advisors, LLC.

Table 5. SELECTED ECONOMIC INDICATORS: MAUI COUNTY
THIRD QUARTER 2008

SERIES	UNIT	3rd QUARTER 2008		YEAR-TO-DATE 2008	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	82,600	3.3	81,400	1.9
Civilian employed	Persons	78,600	1.7	78,150	0.4
Civilian unemployed	Persons	4,050	52.8	3,250	58.5
Unemployment rate 1/ 2/	%	4.9	1.6	4.0	1.4
Total wage and salary jobs	Jobs	73,800	0.2	74,050	0.1
Total non-agriculture wage and salary jobs	Jobs	72,300	0.6	72,450	0.4
Nat. Resources, Mining, Constr.	Jobs	4,550.0	-9.0	4,800	-2.0
Manufacturing	Jobs	1,250	-3.8	1,300	-3.7
Wholesale Trade	Jobs	1,400	0.0	1,400	0.0
Retail Trade	Jobs	9,950	-0.5	10,100	1.5
Transp., Warehousing, Util.	Jobs	3,400	-6.8	3,400	-5.6
Information	Jobs	850	6.3	850	0.0
Financial Activities	Jobs	2,950	-4.8	3,000	-1.6
Professional & Business Services	Jobs	7,300	1.4	7,400	2.8
Educational Services	Jobs	1,050	5.0	1,050	0.0
Health Care & Social Assistance	Jobs	4,850	3.2	4,800	3.2
Arts, Entertainment & Recreation	Jobs	2,300	-2.1	2,350	0.0
Accommodation	Jobs	11,450	3.6	11,450	-1.3
Food Services & Drinking Places	Jobs	8,600	2.4	8,400	0.0
Other Services	Jobs	2,950	5.4	2,850	1.8
Government	Jobs	9,400	3.3	9,350	2.7
Federal	Jobs	850	6.3	850	6.3
State	Jobs	5,950	2.6	6,000	2.6
Local	Jobs	2,650	3.9	2,550	4.1
Agriculture wage and salary jobs	Jobs	1,550	-11.4	1,650	-5.7
General excise and use tax revenues	\$1,000	51,856	0.4	150,840	-3.2
Income-individual	\$1,000	20,935	-10.6	55,553	-29.5
Declaration estimated taxes	\$1,000	5,015	-4.6	25,665	-42.9
Payment with returns	\$1,000	1,923	-6.0	17,555	-14.8
Withholding tax on wages	\$1,000	17,161	-9.3	52,673	-2.6
Refunds	\$1,000	-3,165	12.8	-40,341	-1.1
Transient accommodations tax	\$1,000	12,110	0.2	34,187	6.9
Honolulu County Surcharge 3/	\$1,000	311	-6.6	944	18.5
Visitor Days - by air	Days	3,893,930	-17.0	12,999,389	-7.9
Domestic visitor days - by air	Days	3,520,254	-18.7	11,501,138	-9.2
International visitor days - by air	Days	373,675	2.6	1,498,251	3.3
Visitor arrivals by air - by air	Persons	517,580	-22.8	1,670,210	-13.6
Domestic flight visitors - by air	Persons	455,439	-24.5	1,448,044	-15.1
International flight visitors - by air	Persons	62,141	-8.4	222,166	-1.5
Hotel occupancy rates 2/	%	64.5	-13.1	70.7	-5.6

1/ Labor force and jobs are Hawaii DLIR monthly and annual data. Quarterly averages computed by the Hawaii DBEDT.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ 0.5% added to the general excise tax to pay for O'ahu's mass transit system and took effect January 1, 2007.

Includes taxpayers who have business activities on Oahu but whose businesses are located outside Oahu.

Source: Hawaii State Department of Business, Economic Development, & Tourism <<http://www.hawaii.gov/dbedt/info/>>;
Hawaii State Department of Labor & Industrial Relations <<http://www.hiwi.org/cgi/dataanalysis/?PAGEID=94>>;
Hawaii State Department of Taxation <http://www.hawaii.gov/tax/a5_3txcolprt.htm> and Hospitality Advisors, LLC.

Table 6. SELECTED ECONOMIC INDICATORS: KAUAI COUNTY
THIRD QUARTER 2008

SERIES	UNIT	3rd QUARTER 2008		YEAR-TO-DATE 2008	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	34,700	3.6	34,300	3.2
Civilian employed	Persons	33,150	1.7	33,000	1.7
Civilian unemployed	Persons	1,550	72.2	1,300	62.5
Unemployment rate 1/ 2/	%	4.5	1.8	3.7	1.2
Total wage and salary jobs	Jobs	31,300	0.5	31,400	1.6
Total non-agriculture wage and salary jobs	Jobs	30,600	0.3	30,750	1.7
Nat. Resources, Mining, Constr.	Jobs	2,150	13.2	2,100	13.5
Manufacturing	Jobs	400	0.0	400	0.0
Wholesale Trade	Jobs	500	-9.1	500	-9.1
Retail Trade	Jobs	4,150	-1.2	4,200	1.2
Transp., Warehousing, Util.	Jobs	1,400	-12.5	1,500	-6.3
Information	Jobs	300	0.0	300	-14.3
Financial Activities	Jobs	1,100	-8.3	1,150	-4.2
Professional & Business Services	Jobs	3,600	-1.4	3,650	0.0
Educational Services	Jobs	250	25.0	250	25.0
Health Care & Social Assistance	Jobs	2,250	2.3	2,250	2.3
Arts, Entertainment & Recreation	Jobs	1,050	0.0	1,050	5.0
Accommodation	Jobs	4,450	-1.1	4,550	3.4
Food Services & Drinking Places	Jobs	3,550	1.4	3,500	1.4
Other Services	Jobs	1,050	10.5	1,050	10.5
Government	Jobs	4,400	1.1	4,400	2.3
Federal	Jobs	550	0.0	550	0.0
State	Jobs	2,600	2.0	2,650	1.9
Local	Jobs	1,250	4.2	1,200	4.3
Agriculture wage and salary jobs	Jobs	700	0.0	650	-7.1
General excise and use tax revenues	\$1,000	17,184	-13.7	53,152	-8.1
Income-individual	\$1,000	8,998	-7.0	29,609	-7.8
Declaration estimated taxes	\$1,000	2,205	-1.2	16,633	4.5
Payment with returns	\$1,000	823	-3.5	7,323	-11.2
Withholding tax on wages	\$1,000	7,123	-7.5	21,376	0.2
Refunds	\$1,000	-1,153	4.5	-15,723	17.5
Transient accommodations tax	\$1,000	4,273	-0.3	11,254	0.9
Honolulu County Surchage 3/	\$1,000	69	18.0	260	159.6
Visitor Days - by air	Days	1,874,420	-12.4	5,678,357	-7.4
Domestic visitor days - by air	Days	1,779,550	-13.4	5,410,118	-7.0
International visitor days - by air	Days	94,871	12.1	268,238	-15.2
Visitor arrivals by air - by air	Persons	263,106	-25.3	813,955	-17.9
Domestic flight visitors - by air	Persons	242,368	-25.3	743,989	-17.8
International flight visitors - by air	Persons	20,738	-25.0	69,966	-18.6
Hotel occupancy rates 2/	%	72.8	-10.0	73.3	-3.4

1/ Labor force and jobs are Hawaii DLIR monthly and annual data. Quarterly averages computed by the Hawaii DBEDT.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ 0.5% added to the general excise tax to pay for O'ahu's mass transit system and took effect January 1, 2007.

Includes taxpayers who have business activities on Oahu but whose businesses are located outside Oahu.

Source: Hawaii State Department of Business, Economic Development, & Tourism <<http://www.hawaii.gov/dbedt/mfr/>>, Hawaii State Department of Labor & Industrial Relations <<http://www.hawi.org/cgi/dataanalysis/>?PAGEID=94>; Hawaii State Department of Taxation <http://www.hawaii.gov/tax/a5_3txclpt.htm> and Hospitality Advisors, LLC.

Table 7. PERSONAL INCOME FOR HAWAII BY MAJOR SOURCES
 [In millions of dollars at seasonally adjusted annual rates and percent. As of Q3ER September 2003, according to NAICS classification only]

Series	First Quarter 2007	Second Quarter 2007	YTD 2007	First Quarter 2008	Second Quarter 2008	YTD 2008	Percentage change to YTD 2008 from YTD 2007		
							Second Quarter 2007	First Quarter 2008	Second Quarter 2007
							First Quarter 2008	Second Quarter 2007	First Quarter 2008
PERSONAL INCOME	49,247	49,711	49,479	51,664	52,551	52,108	5.7	1.7	5.3
Earnings By Place of Work									
Wage and salary disbursements	39,007	39,222	39,115	40,693	41,039	40,966	4.6	0.9	4.5
Supplements to wages and salaries	28,176	28,315	28,246	29,487	29,707	29,597	4.9	0.7	4.8
Emper contrib. for employee pension & ins. funds	7,864	7,943	7,904	8,300	8,372	8,336	5.4	0.9	5.5
Employer contributions for govt' social ins.	5,915	6,010	5,963	6,307	6,369	6,338	6.0	1.0	6.3
Proprietors' income	1,948	1,933	1,941	1,993	2,003	1,998	3.6	0.5	3.0
Farm proprietors' income	2,968	2,965	2,967	2,906	2,959	2,933	-0.2	1.8	-1.1
Nonfarm proprietors' income	-8	-15	-15	-49	-12	-13	(11)	(11)	(11)
Dividends, interest, and rent	2,975	2,979	2,977	2,955	2,972	2,964	-0.2	0.6	-0.5
Personal current transfer receipts	7,804	8,026	7,915	8,311	8,305	8,308	3.5	-0.1	5.0
State unemployment insurance benefits	6,454	6,470	6,462	6,824	7,390	7,107	14.2	8.3	10.0
Personal current transfer receipts exc State U.I.	96	97	97	145	187	166	92.8	29.0	72.0
Less: Contributions for govt' social insurance	6,358	6,373	6,366	6,679	7,203	6,941	13.0	7.8	9.0
Personal contributions for govt' social insurance	4,018	4,007	4,013	4,163	4,184	4,174	4.4	0.5	4.0
Employer contributions for govt' social insurance	2,069	2,074	2,072	2,170	2,181	2,176	5.2	0.5	5.0
Earnings By Industry									
Farm Earnings	39,007	39,222	39,115	40,693	41,039	40,866	4.6	0.9	4.5
Nonfarm Earnings	208	204	206	174	212	193	3.9	21.8	-6.3
Private earnings	38,799	39,019	38,909	40,519	40,827	40,673	4.6	0.8	4.5
Forestry, fishing, related activities, and other 6/	26,275	26,365	26,320	27,130	27,309	27,220	3.6	0.7	3.4
Mining	55	55	55	60	61	61	10.9	1.7	10.0
Utilities	293	299	296	321	327	324	9.4	1.9	9.5
Construction	3,154	3,162	3,158	3,290	3,238	3,264	2.4	-1.6	3.4
Manufacturing	1,006	1,009	1,008	1,013	1,033	1,023	2.4	2.0	1.5
Durable goods	385	389	387	389	396	393	1.8	1.8	1.4
Nondurable goods	620	620	620	623	637	630	2.7	2.2	1.6
Wholesale trade	1,120	1,141	1,131	1,199	1,198	1,199	5.0	-0.1	6.0
Retail trade	2,478	2,507	2,493	2,563	2,578	2,571	2.8	0.6	3.1
Transportation and warehousing	1,591	1,630	1,611	1,658	1,675	1,667	2.8	1.0	3.5
Information	733	757	745	765	789	777	4.2	3.1	4.3
Finance and insurance	1,288	1,305	1,297	1,295	1,314	1,305	0.7	1.5	0.6
Real estate and rental and leasing	1,063	1,028	1,046	992	986	989	-4.1	-0.6	-5.4
Professional and technical services	2,312	2,363	2,338	2,464	2,502	2,483	5.9	1.5	6.2
Management of companies and enterprises	661	651	656	627	646	637	-0.8	3.0	-3.0
Administrative and waste services	1,586	1,577	1,582	1,611	1,609	1,610	2.0	-0.1	1.8
Educational services	540	550	545	576	578	577	5.1	0.3	5.9
Health care and social assistance	3,350	3,248	3,299	3,508	3,554	3,531	9.4	1.3	7.0
Arts, entertainment, and recreation	453	471	462	480	485	483	3.0	1.0	4.4
Accommodation and food services	3,328	3,349	3,339	3,407	3,424	3,416	2.2	0.5	2.3
Other services, except public administration	1,217	1,223	1,220	1,262	1,273	1,268	4.1	0.9	3.9
Government and government enterprises	12,524	12,653	12,589	13,389	13,518	13,454	6.8	1.0	6.9
Federal	7,650	7,699	7,675	8,112	8,221	8,167	6.8	1.3	6.4
Federal, civilian	2,976	2,977	2,977	3,044	3,107	3,076	4.4	2.1	3.3
Military	4,674	4,722	4,698	5,114	5,068	5,114	8.3	0.9	8.4
State and local	4,875	4,955	4,915	5,277	5,297	5,287	6.9	0.4	7.6

Source data for 2005Q1 to 2008Q1 have been revised.

1/ Percentage changes involving zero or negative values are not meaningful.

Source: U.S. Bureau of Economic Analysis, State Annual and State Quarterly Personal Income,

September 18, 2008 <<http://www.bea.gov/bea/regional/>>.

**Table 8. HONOLULU and U.S. CONSUMER PRICE INDEX,
ALL URBAN CONSUMERS (CPI-U)**
[1982-84=100. Data are not seasonally adjusted]

Period	U.S.	All Items	Honolulu						Educ. & Comm. 1/	Other Goods & Services
			Food & Beverages	Housing	Apparel	Transportation	Medical Care	Recreation 1/		
1990	130.7	138.1	137.8	141.5	107.0	131.1	154.2	(NA)	(NA)	160.4
1991	136.2	148.0	145.9	152.8	110.5	139.3	171.3	(NA)	(NA)	175.7
1992	140.3	155.1	148.5	161.7	114.2	147.4	182.6	(NA)	(NA)	189.0
1993	144.5	160.1	152.9	166.5	116.5	150.5	197.4	(NA)	(NA)	200.1
1994	148.2	164.5	153.4	171.6	118.7	156.4	206.0	(NA)	(NA)	209.6
1995	152.4	168.1	156.8	174.7	117.5	162.4	209.8	(NA)	(NA)	216.8
1996	156.9	170.7	156.6	176.8	118.5	167.0	215.0	(NA)	(NA)	226.5
1997	160.5	171.9	159.2	177.1	117.3	166.2	217.3	(NA)	(NA)	239.0
1998	163.0	171.5	159.1	176.0	112.2	162.5	226.1	100.8	99.1	256.1
1999	166.6	173.3	162.9	175.8	105.4	162.2	231.3	101.9	104.5	275.6
2000	172.2	176.3	164.8	177.9	103.5	169.6	239.8	102.8	106.5	279.7
2001	177.1	178.4	169.5	179.1	101.0	174.5	2/	101.6	104.6	289.3
2002	179.9	180.3	171.9	181.2	102.6	170.9	2/	99.5	107.8	302.2
2003	184.0	184.5	174.9	186.2	98.5	176.4	2/	100.4	112.5	307.6
2004	188.9	190.6	180.2	194.3	101.2	182.4	275.9	102.3	113.5	312.4
2005	195.3	197.8	185.9	205.2	102.5	191.6	2/	97.8	114.3	321.0
2006	201.6	209.4	194.2	222.5	104.4	202.1	2/	101.1	114.0	332.1
2007	207.3	219.5	204.9	238.4	104.1	205.0	2/	102.6	114.0	347.5
1995H1	151.5	166.9	156.5	173.4	118.1	160.0	207.8	(NA)	(NA)	214.4
H2	153.2	169.4	157.1	176.0	116.9	164.9	211.8	(NA)	(NA)	219.2
1996H1	155.8	170.5	156.9	176.8	120.0	166.3	214.9	(NA)	(NA)	220.6
H2	157.9	171.0	156.3	176.8	116.9	167.7	215.0	(NA)	(NA)	232.4
1997H1	159.9	172.1	159.4	177.3	119.8	167.8	215.6	(NA)	(NA)	232.5
H2	161.2	171.8	159.0	177.0	114.8	164.6	219.1	(NA)	(NA)	245.5
1998H1	162.3	172.0	160.0	176.3	116.4	163.2	222.5	101.4	98.9	254.3
H2	163.7	171.0	158.2	175.7	108.0	161.8	229.8	100.3	99.3	258.0
1999H1	165.4	172.7	162.4	175.5	106.0	162.3	231.0	101.3	102.6	273.9
H2	167.8	173.8	163.5	176.0	104.9	162.0	231.5	102.5	106.4	277.3
2000H1	170.8	175.9	165.5	177.3	104.5	167.7	235.9	103.1	107.3	277.5
H2	173.6	176.7	164.1	178.5	102.6	171.5	243.8	102.6	105.6	281.9
2001H1	176.6	178.1	168.3	178.8	99.7	176.0	246.1	102.1	103.5	287.5
H2	177.5	178.7	170.7	179.3	102.3	173.0	2/	101.1	105.8	291.1
2002H1	178.9	180.1	172.3	180.5	106.2	171.7	2/	99.9	106.9	299.1
H2	180.9	180.4	171.6	181.9	99.1	170.1	266.5	99.2	108.7	305.3
2003H1	183.3	183.2	173.7	184.7	99.2	175.2	2/	99.3	111.1	307.0
H2	184.6	185.7	176.0	187.7	97.8	177.7	2/	101.5	113.8	308.2
2004H1	187.6	189.2	179.5	192.2	102.6	180.2	274.8	102.6	113.5	309.6
H2	190.2	191.9	180.9	196.3	99.9	184.6	277.0	102.0	113.6	315.2
2005H1	193.2	195.0	184.7	199.9	104.9	188.2	2/	98.5	115.8	318.6
H2	197.4	200.6	187.1	210.5	100.0	195.1	2/	97.0	112.8	323.3
2006H1	200.6	206.4	191.6	216.9	104.1	201.6	2/	100.9	114.3	329.5
H2	202.6	212.3	196.8	228.0	104.7	202.6	2/	101.3	113.7	334.7
2007H1	205.709	216.620	202.952	233.606	102.648	204.402	2/	102.058	112.887	343.703
H2	208.976	222.388	206.932	243.250	105.642	205.652	309.195	103.087	115.047	351.295
2008H1	214.429	227.334	212.390	246.676	105.917	215.519	317.380	105.600	115.126	361.286

Data on U.S. CPI are released monthly and Honolulu CPI, twice a year in February and August for the half (H) year previous.

NA Not available.

1/ New indexes as of January 1998. Base period is December 1997. The former "Entertainment" index has been discontinued.

2/ No data were available or data did not meet U.S. Bureau of Labor Statistics' publication criteria.

Source: U.S. Bureau of Labor Statistics, Consumer Price Index-All Urban Consumers (Current Series) <<http://data.bls.gov/cgi-bin/dsrr>> and BLS Honolulu CPI News Releases and <<http://www.bls.gov/to9/cphono.htm>> accessed August 14, 2008.

Table 9. RESIDENT POPULATION, BY COUNTY: 1990 TO 2007

[Based on place of usual residence, regardless of physical location on the estimate or census date. Includes military personnel stationed or homeported in Hawaii and residents temporarily absent; excludes visitors present]

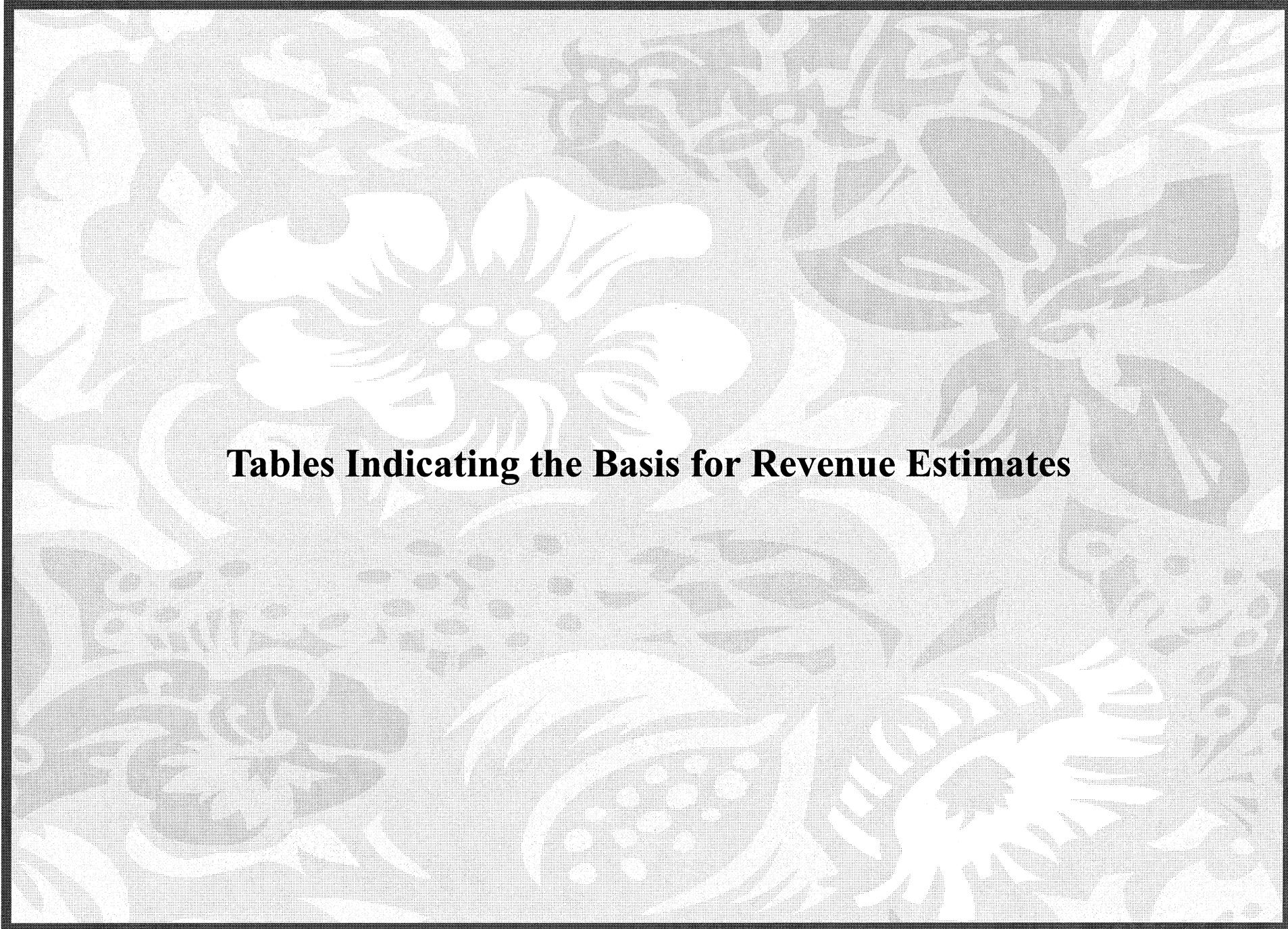
Date	State total	City and County of Honolulu	Hawaii County	Kauai County	Maui County 1/
1990: April 1	1,108,229	836,231	120,317	51,177	100,504
July 1 2/	1,113,491	838,534	121,572	51,676	101,709
1991: July 1 2/	1,136,754	850,510	127,266	53,379	105,599
1992: July 1 2/	1,158,613	863,959	131,630	54,439	108,585
1993: July 1 2/	1,172,838	870,348	135,085	55,461	111,944
1994: July 1 2/	1,187,536	878,591	137,713	56,478	114,754
1995: July 1 2/	1,196,854	881,399	140,492	57,068	117,895
1996: July 1 2/	1,203,755	883,443	141,935	57,688	120,689
1997: July 1 2/	1,211,640	886,711	144,445	57,712	122,772
1998: July 1 2/	1,215,233	886,909	145,833	57,843	124,648
1999: July 1 2/	1,210,300	878,906	146,970	58,264	126,160
2000: April 1	1,211,537	876,156	148,677	58,463	128,241
July 1	1,211,586	875,133	149,071	58,509	128,873
2001: July 1	1,218,553	877,496	150,860	58,734	131,463
2002: July 1	1,228,763	883,357	153,162	59,439	132,805
2003: July 1	1,240,325	889,102	156,320	60,015	134,888
2004: July 1	1,254,172	895,895	160,129	61,006	137,142
2005: July 1	1,267,581	902,034	164,770	61,673	139,104
2006: July 1	1,278,635	906,715	169,419	61,986	140,515
2007: July 1	1,283,388	905,601	173,057	62,828	141,902

1/ Including Kalawao County (Kalaupapa Settlement). Kalawao had 130 in 1990, 147 in 2000, and 119 in 2007.

2/ Population estimates for 1990 through 1999 were revised based upon the April 1, 2000 figures. The revisions were released April 19, 2002. Population estimates after April 1, 2000 are based on revisions released in March 2008 and may differ somewhat from earlier figures cited in other tables.

Source: U.S. Bureau of the Census, Federal-State Cooperative Program for Population Estimates, "Time Series of Hawaii Intercensal Population Estimates by County: April 1, 1990 to April 1, 2000" (CO-EST2001-12-15)
<http://eire.census.gov/popest/data/counties/tables/CO-EST2001-12/CO-EST2001-12-15.php> accessed April 19, 2002; "Table 1: Annual Estimates of the Population for Counties of Hawaii: April 1, 2000 to July 1, 2007" (CO-EST2007-01-15) (March 20, 2008)

<http://www.census.gov/popest/counties/tables/CO-EST2007-01-15.xls> accessed March 20, 2008.



Tables Indicating the Basis for Revenue Estimates

ESTIMATES OF GENERAL FUND TAX REVENUE: FY 2009 to FY 2015

(in thousands of dollars)

TYPE OF TAX	ACTUAL		ESTIMATED						
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
General Excise & Use 2/, 3/	\$2,555,762	\$2,618,787	\$2,589,484	\$2,688,684	\$2,797,171	\$2,886,280	\$3,056,055	\$3,257,053	\$3,445,529
Income - Individual	1,559,690	1,544,307	1,529,338	1,584,678	1,674,169	1,805,764	1,916,194	2,038,870	2,198,273
Income - Corporation	81,834	85,081	82,803	78,804	77,982	86,210	94,125	106,701	120,068
Public Service Company	124,017	127,481	136,449	145,134	153,979	163,091	172,368	181,932	192,484
Insurance Premiums	92,196	95,742	96,806	98,657	101,551	115,748	124,280	131,609	136,487
Tobacco & Licenses	84,219	83,443	93,358	94,172	96,735	99,256	101,944	104,588	107,294
Liquor & Permits	46,034	45,620	45,549	46,722	48,086	49,390	50,614	51,817	53,013
Banks & Other Fin Corps	16,599	18,212	16,331	15,781	16,746	23,798	28,094	32,107	35,996
Conveyance 4/	7,033	6,513	13,853	12,528	11,214	9,912	8,621	7,341	6,073
Miscellaneous *	1,120	751	590	589	588	587	586	585	584
Transient Accommodation Tax 1/	17,076	15,935	14,102	14,567	17,209	20,152	22,918	25,623	28,410
NET TOTAL	\$4,585,580	\$4,641,872	\$4,618,663	\$4,780,316	\$4,995,430	\$5,260,188	\$5,575,799	\$5,938,226	\$6,324,211
GROWTH RATE	3.4%	1.2%	-0.5%	3.5%	4.5%	5.3%	6.0%	6.5%	6.5%

Notes:

1/ Deposits of 44.8% of TAT revenues to counties (Act 156, SLH 1998); 32.6% to the tourism special fund and 5.3% to the TAT trust fund (Act 250, SLH 2002); 17.3% to the convention center enterprise fund (Act 253, SLH 2002); all net of general fund deposits of excess of fund ceilings. Act 235, SLH 2005, increases allocation to the tourism special fund to 34.2% and repeals the TAT trust fund. Effective on July 1, 2007. Act 209, SLH 2006, increases ceiling on allocation to the convention center enterprise fund to \$33 million. Effective on July 1, 2006.

2/ FY 2012 excludes \$40 million, due to June 30, 2012 falling on a weekend. FY 2014 includes \$40 million, estimated spillover from June 30, 2013 falling on weekend.

3/ Act 209, SLH 2007, exempts gross income received from the sale of alcohol fuel from the general excise tax. Effective on July 1, 2007, provided that the exemption repeals on June 30, 2009.

4/ Due to the expiration of Act 222, SLH 2007, on June 30, 2008, the amount of conveyance tax deposited into the General Fund increased from 15% to 35%.

* Includes inheritance and estate tax.

INDIVIDUAL INCOME TAX
(in Thousands of Dollars)

	12/07 Estimate		11/06 Estimate		As % of Actual
	Actual FY 2008	Amount	As % of Actual	Amount	
Withholding Tax	\$1,370,854	\$1,328,963	96.9%	\$1,323,070	96.5%
Decl. of Estimated Tax	\$430,197	\$445,277	103.5%	\$459,157	106.7%
Payment w/ Final Return	\$179,209	\$238,826	133.3%	\$226,563	126.4%
Amount of Refunds	(\$435,424)	(\$392,668)	90.2%	(\$340,914)	78.3%
Election Campaign Fund	(\$107)	(\$222)	207.7%	(\$190)	177.3%
School Minor Repairs & Maintenance Fund	(\$114)	(\$107)	93.9%	(\$75)	66.2%
Public Libraries Fund	(\$98)	(\$89)	90.7%	(\$61)	62.5%
Domestic Violence\Child Abuse Neglect Fund	(\$209)	(\$184)	88.0%	(\$113)	
NET TOTAL	\$1,544,308	\$1,619,796	104.9%	\$1,667,437	108.0%

Tax Rates before January 1, 2007

1.4% on first \$2,000; 3.2% on next \$2,000; 5.5% on next \$4,000; 6.4% on next \$4,000; 6.8% on next \$4,000; 7.2% on next \$4,000; 7.6% on next \$10,000; 7.9% on next \$10,000; 8.25% over \$40,000.

Head of Household: 1.4% on first \$3,000; 3.2% on next \$3,000; 5.5% on next \$6,000; 6.4% on next \$6,000; 6.8% on next \$6,000; 7.2% on next \$6,000; 7.6% on next \$15,000; 7.9% on next \$15,000; 8.25% over \$60,000.

Tax Rates after December 31, 2006 (Act 110, SLH 2006)

1.4% on first \$2,400; 3.2% on next \$2,400; 5.5% on next \$4,800; 6.4% on next \$4,800; 6.8% on next \$4,800; 7.2% on next \$4,800; 7.6% on next \$12,000; 7.9% on next \$12,000; 8.25% over \$48,000.

Head of Household: 1.4% on first \$3,600; 3.2% on next \$3,600; 5.5% on next \$7,200; 6.4% on next \$7,200; 6.8% on next \$7,200; 7.2% on next \$7,200; 7.6% on next \$18,000; 7.9% on next \$18,000; 8.25% over \$72,000.

CORPORATION INCOME TAX
 (in Thousands of Dollars)

		12/07 Estimate		11/06 Estimate	
	Actual FY 2008	Amount	As % of Actual	Amount	As % of Actual
Decl. of Estimated Tax	\$131,462	\$147,154	111.9%	\$161,494	122.8%
Payment w/ Final Return	\$21,851	\$24,022	109.9%	\$15,090	69.1%
Amount of Refunds	(\$68,232)	(\$84,397)	123.7%	(\$46,816)	68.6%
NET TOTAL	\$85,081	\$86,779	102.0%	\$129,768	152.5%

Tax Rates: 4.40% of taxable income up to \$25,000; 5.40% on next \$75,000; 6.40% over \$100,000.

INDIVIDUAL INCOME TAX
(In Thousands of Dollars)

	Actual FY 2008	Estimated FY 2009	Estimated FY 2010	Estimated FY 2011	Estimated FY 2012	Estimated FY 2013	Estimated FY 2014	Estimated FY 2015
Withholding Tax	\$1,370,854	\$1,357,565	\$1,406,690	\$1,486,129	\$1,602,944	\$1,700,970	\$1,809,868	\$1,951,367
Decl. of Estimated Tax	\$430,197	\$426,027	\$441,443	\$466,372	\$503,031	\$533,793	\$567,967	\$612,372
Payment w/ Final Return	\$179,209	\$177,472	\$183,894	\$194,279	\$209,550	\$222,364	\$236,600	\$255,098
Amount of Refunds	(\$435,424)	(\$431,193)	(\$446,810)	(\$472,067)	(\$509,211)	(\$540,379)	(\$575,004)	(\$619,998)
Election Campaign Fund	(\$107)	(\$108)	(\$109)	(\$110)	(\$111)	(\$112)	(\$114)	(\$115)
School Minor Repairs & Maintenance Fund	(\$114)	(\$115)	(\$116)	(\$117)	(\$119)	(\$120)	(\$121)	(\$122)
Public Libraries Fund	(\$98)	(\$99)	(\$100)	(\$101)	(\$102)	(\$103)	(\$104)	(\$105)
Domestic Violence/Child Abuse Neglect Fund	(\$209)	(\$211)	(\$213)	(\$215)	(\$217)	(\$220)	(\$222)	(\$224)
NET TOTAL	\$1,544,308	\$1,529,338	\$1,584,678	\$1,674,169	\$1,805,764	\$1,916,194	\$2,038,870	\$2,198,273

Tax Rates before January 1, 2007

1.4% on first \$2,000; 3.2% on next \$2,000; 5.5% on next \$4,000; 6.4% on next \$4,000; 6.8% on next \$4,000; 7.2% on next \$4,000; 7.6% on next \$10,000; 7.9% on next \$10,000; 8.25% over \$40,000.

Head of Household: 1.4% on first \$3,000; 3.2% on next \$3,000; 5.5% on next \$6,000; 6.4% on next \$6,000; 6.8% on next \$6,000; 7.2% on next \$6,000; 7.6% on next \$15,000; 7.9% on next \$15,000; 8.25% over \$60,000.

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Head of Household: 1.4% on first \$3,600; 3.2% on next \$3,600; 5.5% on next \$7,200; 6.4% on next \$7,200; 6.8% on next \$7,200; 7.2% on next \$7,200; 7.6% on next \$18,000; 7.9% on next \$18,000; 8.25% over \$72,000.

CORPORATION INCOME TAX
 (In Thousands of Dollars)

	Actual FY 2008	Estimated FY 2009	Estimated FY 2010	Estimated FY 2011	Estimated FY 2012	Estimated FY 2013	Estimated FY 2014	Estimated FY 2015
Decl of Estimated Tax	\$131,462	\$127,942	\$121,763	\$120,493	\$108,206	\$118,140	\$133,925	\$150,703
Payment w/ Final Return	\$21,851	\$21,266	\$20,239	\$20,028	\$22,141	\$24,174	\$27,404	\$30,837
Amount of Refunds	(\$68,232)	(\$66,405)	(\$63,198)	(\$62,539)	(\$44,137)	(\$48,190)	(\$54,628)	(\$61,472)
NET TOTAL	\$85,081	\$82,803	\$78,804	\$77,982	\$86,210	\$94,125	\$106,701	\$120,068

Tax Rates: 4.40% of taxable income up to \$25,000; 5.40% on next \$75,000; 6.40% over \$100,000.

**LEGAL REFERENCE AND EFFECTIVE DATE OF LATEST
REVISION FOR STATE GENERAL FUND TAX REVENUES**

Type of Tax	Legal Reference HRS	Revision Date
General Excise	Chapter 237	04/15/08
Use	Chapter 238	07/13/05
General Excise Lic. & Fees	Chapter 237	01/01/06
Banks & other Financial Corp.	Chapter 241	06/02/04
Income - Corporation	Chapter 235	06/26/08
Income - Individual	Chapter 235	06/26/08
Inheritance & Estate	Chapter 236	01/01/83
Insurance Premiums	Chapter 431	01/01/07
Liquor & Permits	Chapter 244D	07/01/04
Tobacco & Licenses	Chapter 245	05/20/08
Public Service Company	Chapter 239	04/15/08
Conveyance	Chapter 247	07/01/07
Fuel - Retail Permits	Chapter 243	05/02/08
R. P. Appeal Deposits	Chapter 232	06/08/07
Transient Accommodations	Chapter 237D	07/01/06
Vehicle Surcharge	Chapter 251	07/01/08